

# **Ogaz Farms**

## **On-Site Report**

### **Overview of Business**

Dickie and Cleo Ogaz farm about 600 acres in Garfield, New Mexico, located in the well-known Hatch Valley. This was a family farm started by his father Adrian Ogaz. The principle crops are alfalfa, chilies and cotton with a few other commodities grown for sale at their stand, which was opened 6 years ago in a section of the packing and storage pavillon. The farm stand is open from July through September from 7 a.m. to 6 p.m. – or if someone knocks on his door!

The farm now grows about 20 acres of chiles (in many varieties) and other produce crops including watermelon, cantaloupes, squash, sweet corn, okra, green beans, garlic, tomatoes, peppers and onions. He also purchases other New Mexico-grown crops for resale at his farm stand including asparagus, peas, carrots, peaches, apricots and apples.

As the prices of farm crops have stayed low, Dickie has come to rely more and more on his retail farm stand for income. This income has remained relatively flat the past three years and produced stated revenue of \$11,859.00 in 2001.

Based on these sales, we are very limited as to the amount of dollars that I would recommend to spend for advertising and marketing promotions. Dickie does not currently spend money on advertising other than a website. The best method for Dickie to continue to grow his business is through word-of-mouth by his existing customers.

Dickie has a good rapport with his customers and is well known in his local community for growing and selling quality products at a fair price. Dickie picks fresh from the fields everyday and if a customer is not satisfied with the quality of a product in the stand he will offer to send the pickers to go and pick more. Based on the customers that I observed he has a very loyal clientele.

### **Location**

Ogaz farm stand, located about fifty miles north of Las Cruces with easy access from I-25, is easy to find.

### **Existing Customer Base**

The clientele is mainly the local senior market and the snowbirds from Truth or Consequences. The largest group of customers is on fixed incomes. The customers driving from Las Cruces, who would be of a higher income, enjoy driving to the country and selecting homegrown produce.

## **Immediate Goals for Increasing Revenue:**

- **Attract new customers**
- **Motivate existing customers to visit more often and to spend more during each visit**
- **Update the website**

## **Marketing & Promotions**

In order to increase your sales there are several simple ideas that, if implemented, will generate additional revenue.

### **RECOMMENDATIONS:**

- Ask your customers to sign a book or paper tablet with their name, phone number and the particular crops that they want to purchase from you. At the beginning of each season, Cleo could make personal calls to announce that your farm stand is again open.

### **SAMPLE COPY FOR SIGN UP BOOK**

We would like to have your name and phone number so Cleo can call when we re-open for the season or when particular crops ripen that you enjoy. We want to make sure that you don't miss your favorite crop, since the growing seasons are so short.

Name

Local Phone Number

Notify me about  
these crops

(NOTE: If you think you have the time to create a database of these names for sending postcards in the future, also ask for their address.)

- Take Ogaz farm posters to area businesses that would permit you to display them. *A sample poster is enclosed*, complete with a tear-off phone number so people

can call for directions. The key to the posters is to display them a good distance from the farm in as many of locations as possible.

NOTE: I would be happy to make any changes to this poster.

Suggested businesses that have display boards:

- Community parks & halls
- Local restaurants
- Hair salons
- Barbershops
- Laundromats
- Senior recreation buildings & retirement areas
- Churches
- Fraternal halls
- Ice cream shops

In return for the display space, you could give merchants a coupon good for 20% off a purchase, or “One FREE watermelon,” etc. A little enticement will greatly encourage the number of displays!

You could even ask your senior customers if they could put them up for display in their communities. Posters are a very inexpensive way to promote Ogaz Farms. Be sure to check that the posters are still up after a few weeks and replenish when necessary.

- A method to keep your customers coming back more often and increase the average sale is with a “loyalty card.” You keep track of your customers’ purchases and reward them based on a pre-determined total.

The reward can be either a FREE product or a cash discount on the next sale. (For example, purchase \$50 of Ogaz produce and get \$5 off the next purchase.) Every customer should be offered a card at time of check out or asked “Did you bring your punch card with you today?”

Below is a sample of this idea that can be modified per your request.

When the cards are redeemed, ask the customer to sign their name, address and phone number on the back of the card

- Try “Suggestive Selling.” Every time a customer brings his purchases to the register have your worker ask a question such as:

“Did you notice our fresh tomatoes? They were just picked an hour ago.”

“Our chilies are starting next week. Would you like to place an order?”

“We just got our first delivery of New Mexico apples. Would you like a few?”

Making the suggestion to a customer to purchase another product often works. If you make these types of offers/suggestions with every sale you will soon see people purchasing more.

- Many people are not fully aware of the different ripening times of various summer produce. Therefore a simple brochure with the ripening calendar could be given to customers at the beginning of the season so they would know the approximate dates.

These single-panel brochures could be displayed at local businesses by the cash registers. (Put brochures into display holders available at office supply stores such as Office Max.) Offer these business a discount in exchange for the displays as was explained under “posters”.

Enclosed is a sample single panel. I have also enclosed a CD Rom that you could take to a Kinko’s to have these documents modified and printed.

Note: If you choose to print this document a phone number should be added.



## **Advertising**

Yellow pages are a cost-effective way of advertising.

### **Recommendations**

- Research the cost of placing a small listing in your area and Las Cruces phone books. When you are talking to their sales department ask them about the listing categories. You want to be where the other farm stands are listed.

This is a good way for new people coming to the area to learn about your business.

## **Road Signs**

Your farm stand does not have your name as you drive onto the parking lot.

### **RECOMMENDATION:**

- Have a large wooden sign or banner made to hang directly above the entrance.

Your Ogaz Farms sign at the corner of County Line Road and Hwy 187 is in need of replacing.

**RECOMMENDATION:**

- The sign should be larger. I would prefer a 4' x 8' size.

On the trailer at the intersection, you have a yellow changeable sign with copy on only one side.

**RECOMMENDATIONS:**

- That sign needs to state OGAZ FARMS either as the first line of the changeable letters or attach 2' X 8' board with OGAZ FARMS to the top of the yellow sign.
- It would also be preferable to have the copy on both sides of the board for cars driving either North or South on Hwy 187.

**WEBSITE**

Your website, [www.zianet.com/cogaz](http://www.zianet.com/cogaz) , could be updated to be a more effective marketing tool. Be sure the costs to make these changes are warranted, since your older customers may not be using the Internet. (You didn't share with me the cost of this service so I am unable to assist you with the financial evaluation of whether you should have a website.)

**RECOMMENDATIONS:**

- Currently you only highlight the chilies that your grow. You want to promote everything that you sell! Use the Ripening Calendar to show the full range of produce.
- Your website address needs to appear on everything that you have printed with your name. (Business cards, letterhead, signs, flyers, posters etc.) Without the web address people will have a hard time finding you by searching the web.
- With you map, include specific directions to reach the farm stand.  
"Exit 51 off I-25. Go East for one mile to a stop sign. Continue past the stop and the Ogaz stand is immediately on your right."
- If you decide to use a "loyalty card" next season, be sure it is promoted and explained on your website.